# Introduction

Chapter 1

# INTRODUCTION

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## 1.1 Objectives and Background

### 1.1.1 The Focus of This Book

It is well known that Japan and the Netherlands have enjoyed friendly relations for more than 400 years. Despite this fact, neither country has had much influence on the other in terms of society, culture, or institutional arrangements in the educational system and the labour market. These aspects remain essentially unique to each country. As a result, Japan and the Netherlands, the two countries at the focus of this book, form an intriguing contrast of culture, education system and labour market organisation. For decades Japan has attracted the attention of countless scholars attempting to come to grips, first of all with the enormous success of the post-war Japanese economy, and subsequently with its faltering progress since the early 1990s. In contrast to most western capitalist countries, the Japanese economy is characterised by a strong degree of centralised planning and cooperation between economic and political elites, in which favoured corporations and industries have been deliberately fostered. The higher education system has been largely academic in its focus, and strong links between higher education institutions and companies have helped ensure a smooth and rapid transition by graduates from higher education to employment. Although the rapid economic development in the post-war period has seen Japanese people embrace many of the trappings of western



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(primarily American) culture, Japanese society at its core has to date retained many of its traditional traits, such as an emphasis on collectivistic rather than individualistic values. In societies emphasising collectivistic values, individuals are integrated from birth onwards into strong, cohesive in-groups, which continue to protect them throughout their lifetime in exchange for unquestioning loyalty (Hofstede, 1984). This is expressed in a strong emphasis on (self-) discipline and respect for elders and authority figures in general.

Although the Dutch economy and society has also undergone a relatively strong development and process of modernisation since World War II, it still represents a stronger contrast to Japan in many respects than most European and other western countries. The famous Dutch 'polder model' may superficially resemble the Japanese style of management of the economy through collaboration by economic and political elites, but there are clear differences both in form and substance between the two systems. At the heart of the polder model is an agreement between representatives of employees and employers, in which the trade unions' willingness to exercise wage restraint is rewarded by a commitment by employers' organisations to maintain employment levels and invest in the employability of workers. Rather than fostering key corporations and industries that then act as the main motor for the rest of the economy, as in Japan, the Dutch polder model has focused mainly on maintaining macro-economic stability. In contrast to Japan, the Dutch higher education system has long had a strong emphasis on vocational education, its most visible manifestation being the existence of an extensive system of higher vocational education (*hoger beroepsonderwijs* or HBO) in addition to the more academically oriented universities. The greater degree of standardisation of higher education has meant that employers select graduates more on the basis of the course followed than the institution attended. Finally, although Dutch society and economy are superficially no more modern than those in Japan, much more has changed at the deeper level of personal values. The Netherlands is a country that embraces highly individualistic values, in which seniority and authority count for far less than they do in Japan. Individualism, as considered here, pertains to societies where the ties between individuals are loose and hence everyone is expected to look after him- or herself and to explore their own talents and abilities.

Reflecting on these differences, several questions come to mind concerning their consequences for educational and occupational career paths of higher education graduates in the two countries. Many of these questions revolve around the nature of the competencies developed in higher education in relation to the demands made on Japanese and Dutch graduates in the labour market. To what extent are differences between the two countries in terms of graduate competencies related to specific differences in experiences

gained during the career in higher education? How do differences in the education system impact on the experiences gained, and on the manner in which graduates are prepared for the labour market? What is the role of cultural values, such as those pertaining to individualism or collectivism, in shaping institutions, experiences and outcomes?

From the point of view of policy, an obvious question is: "What could we learn from each other now?" In regard to the labour market, Japan has a great deal of interest in the Dutch "polder model" policies, and more particularly the work-sharing scheme that is widely used in the Netherlands. In education, Japan is paying due attention to the rapid reforms in the university evaluation system that are now underway in the Netherlands. Meanwhile, the Netherlands is taking an interest in the effectiveness of the system of evaluation and selection of university graduates based on hierarchical distinctions among different universities and colleges as well as the on-campus support system designed to assist students to transit smoothly into the job market. With respect to employment, the Dutch appreciate Japanese companies' long-term, in-house skill training programmes and their success in ensuring company-wide cooperation based on teamwork. The following chapters include in-depth discussions of each of these topics.

This book aims to investigate these and similar questions related to the higher education systems and graduate labour markets in Japan and the Netherlands, and to identify existing challenges, particularly those in the area of policy-making. To this end, use is made of survey results concerning the choice of career paths and career development of graduates from higher education institutions in the two countries.

### 1.1.2 Japan and the Netherlands: Society, Education and Employment

It should be noted at the outset that this book's approach is designed neither to focus on any particular policies or social concerns, nor to compare the information collected from these limited areas. It seeks rather to recognise, in a comprehensive fashion, what systematic characteristics lie beneath all those specifics, and to identify what both countries can learn from each other. We begin with a brief outline of the basic facts of each country's society and culture before going on to discuss the perspectives from which characteristics of each country's higher education and employment are to be compared.

The ratio of Japan to the Netherlands, both in terms of national land area and population, is 10:1, which means that both have about the same population density. The Netherlands is about the same size as Kyushu, one of the main islands of the Japanese Archipelago. The economies of both

countries, represented by GDP per capita, were in 1997 also about the same: US$ 24,616 for Japan and US$ 22,142 for the Netherlands.

Nevertheless, their social structures are very different. The most appropriate and simple phrase to describe their differences may be "Japanese homogeneity versus Dutch heterogeneity." In the Netherlands, immigrants without Dutch nationality account for 5% of the population. Furthermore, 20% of the people holding Dutch nationality are first-generation or second-generation immigrants. These figures reveal mobility and diversity in the racial and ethnic makeup of the country. The Dutch government statistics distinguish between residents with 'non-Western' backgrounds and those with 'Western' backgrounds (the latter group including Japanese and Indonesians), recognizing that a gap exists between the two groups in terms of social and economic opportunities. This is a social problem and a policy issue that needs to be addressed. In Japan, in contrast, foreign residents represent only 1.5% of the population. Accordingly, Japan could be considered as one of the most homogeneous countries in the world in terms of race and ethnicity. In addition, Japan is supposedly one of the least class-conscious societies, as reflected in the often-used expression: "All Japanese belong to the middle classes." This indicates some key policy differences between the two countries: Japan has been developing a cultural system that is based on homogeneity, while the Netherlands has accepted heterogeneity as a given condition, and has been building a system intended to treat different ethnic groups as equals.

Japan and the Netherlands also exhibit a stark contrast in the structure of their education systems, particularly in the higher education stages. Prior to higher education, Japan provides 9 years of compulsory education from the ages of 6 to 15. During these 9 years, children go to elementary school for the first 6 years, followed by 3 years of junior high school. Most schools that cater for these stages are public schools. Most students follow these stages with 3 years in senior high school. Ninety percent of Japanese youths follow this 12-year, single-track, standardized path of learning. However, high schools tend to select the students they would like to admit to the senior stage according to academic ability. This creates disparities among high schools in terms of students' academic achievements, as well as their subsequent educational and career opportunities. In the Netherlands, various private and public schools provide the stages of compulsory education targeted at 4–18 year olds. Secondary education comprises a multi-track, differentiated system in which, at the age of 12, each child chooses which type of school he or she would like to attend: preparatory schools for entrance to higher education institutions, schools that provide vocational education, or schools designed for job training. Admission to these schools

in secondary education is based on a national test (*CITO*) and the advice of the teacher in primary education.

As for higher education, Japan has a variety of public and private educational institutions, such as 4-year universities or colleges, 2–3-year junior colleges, 1–4 year special training colleges and 5-year colleges of technology whose curricula include 3 years of upper secondary education. As has often been pointed out, the fact that each school screens its applicants based on their academic achievements creates a wide gap and hierarchy among institutions. In contrast, with the exception of a number of specific advanced professional or technical courses, the Netherlands has only 4-year universities and higher vocational colleges (HBO institutions). Applicants are eligible to enter universities or HBO institutions depending on what kind of secondary education qualifications they have obtained. Dutch universities and HBO colleges do not undertake any further specific selection measures for the vast majority of courses.

It is worth noting that there is also a vast difference between the two countries in terms of the content of education. Japanese universities are marked by their strong academic emphasis, with little, if any, tendency to train students in cooperation with the business community. It is only when the university graduates start the job-hunting process that the job market works in concert with Japanese higher education institutions. In Japan, the business community has developed a corporate practice of recruiting a large number of new graduates on a regular basis, which helps the smooth transition of students into the job market.

The Netherlands, by contrast, has both academic universities and professional HBO institutions that are closely linked to the business community and whose expansion and development attract a great deal of attention. Due in part to the strong influence of its neighbouring country, Germany, Dutch universities and colleges try to provide professional education in cooperation with the business community, by means, for instance, of programmes designed to provide students with work experience. A large majority of students at Dutch universities and particularly HBO colleges participate in such work placement programs.

The economies and labour markets of the two countries have also taken form in different ways. The first contact between the Dutch and the Japanese 400 years ago reflected the fact that the Netherlands in those days was one of the world's most developed countries, dominating maritime trade and enjoying economic prosperity gained from its overseas territories. Japan, by contrast, was one of numerous small, underdeveloped countries that, through a policy of self-imposed isolation, struggled to escape the influence of the Western imperial powers. With the Meiji Restoration in 1868, however,

Japan began to make an enthusiastic effort to modernise itself through a policy of human resource development.

In the 1960s the Netherlands enjoyed a period of economic boom by exploiting such resources as the large natural gas deposits discovered in the first half of the 20th century. In the 1980s, however, it became afflicted by the so-called "Dutch Disease", typified by increases in labour costs and high unemployment rates. To overcome this plight, the country entered into the Wassenaar Agreement in 1982 to promote wage control and work sharing through cooperation among government, labour and employer organisations, which eventually resulted in the "Dutch Miracle."

Meanwhile, whereas the pre-war Japanese economy had been dominated by the *zaibatsu* (family-run conglomerates), and major companies had a hierarchy among their employees in accordance with their academic backgrounds, these systems and practices were dismantled as part of the democratisation process led by the United States in the post-war era. As a result, companies began to hire and manage human resources more flexibly than before, which made long-term employment the norm and brought about a period of high economic growth. Implementation of drastic cost reduction measures represented by the "Toyota System" quickly helped the country to overcome a series of economic difficulties, including the two oil crises. Despite these accomplishments, Japan has entered the 21st century in the midst of a protracted economic decline that followed the collapse of the so-called "bubble economy" in the 1990s.

The two countries' corporate organisation and management of business activities are also very different due to differences in social and cultural orientations. The Confucian tradition, which lies at the core of Japanese society and is characterised by strong self-discipline, general respect for one's elders and authority, is well reflected in the seniority-based treatment of company employees. This tradition consequently leads to what Kazuo Koike (1991) refers to as "slow promotion" in the company. The lack of a clear-cut functional hierarchy among employees, which inhibits the development of job demarcation, enables employees to address any given issue facing their organisation or group in a flexible manner. In this system, a greater emphasis is placed on collectivistic values than on individualistic ones. It can be reasonably assumed that this tendency directly affects the way in which graduates from higher education institutions develop their careers.

In the Netherlands, as a result of the implementation of the "Polder Model", work sharing was developed as a way to maintain high employment levels. This step has made it possible to give equal treatment to diverse human resources and to allow the country to escape the traditionally fixed, gender-based division of labour. This is also believed to have contributed to

providing more opportunities to highly educated women. Thus, more egalitarian, individualistic, private-life-oriented values have become increasingly prevalent in the Netherlands.

### 1.1.3 The Objectives of This Book

This book investigates, among other things, how the innumerable social and cultural differences mentioned above affect the education, training and career development of graduates of higher education institutions in Japan and the Netherlands. It should be borne in mind, however, that despite their different historical paths, both countries are now subject to the common pressure of globalisation. As a result, the higher education sector in both countries is becoming more universal and available to a larger population, and the economy and society are becoming increasingly knowledge-intensive. The aim of this book is not to explain away the differences between the two countries, nor to emphasise the unique features of each country with respect to any specific system or structure. Rather, it seeks to explore how Dutch and Japanese graduates choose and develop their careers in reference to the above-mentioned challenges shared by the two countries.

Specifically, this book addresses the following four questions:

1. How do the contrasting higher education systems in the two countries address the current challenges that both countries face?
2. How do Japanese and Dutch higher education graduates develop the professional competencies and expertise required by their respective national labour markets?
3. What forces are shaping newly emerging work and career patterns in both countries, such as part-time work and other flexible work arrangements, and how do these arrangements impact on the prospects of those young people who follow these paths?
4. What differences can be detected between the two groups in their behaviour and mental attitudes to careers within the public and private domains, and how do the above-mentioned values such as collectivism and individualism affect graduates' careers?

In the various chapters that make up this book, attempts will be made to find answers to these questions using a variety of data concerning higher education graduates in both countries. These data are described in the following section.

## 1.2 Data

An essential element in a study such as this is the availability of high quality data that allow a detailed comparison of the two countries. In the autumn of

1998 an extensive survey was conducted among individuals who had graduated three years earlier from higher education in eleven European countries and Japan. This survey – called the CHEERS project – was carried out under the supervision of Ulrich Teichler from the Centre for Research on Higher Education and Work of the University of Kassel (for more information, see Teichler, in print; see also http://www.uni-kassel.de/wz1/tseregs.htm). The survey was conducted in nine member countries of the European Union (Italy, Spain, France, Austria, Germany, the Netherlands, the United Kingdom, Finland and Sweden), one EFTA country (Norway), one Eastern European country (the Czech Republic), and one country outside Europe (Japan). In nine of the twelve countries – Italy, Spain, France, Austria, Germany, the Netherlands, the United Kingdom, Finland and Norway – half of the cost of the survey was financed through the European Commission's *Targeted Socio-Economic Research* programme, while the other half was financed by the countries themselves. The remaining three countries participated on a voluntary basis using the same design, and financed the survey entirely from national funds. In the Netherlands, both the Research Centre for Education and the Labour Market (ROA) of Maastricht University and the Centre for Higher Education Policy Studies of Twente University participated in the project, nationally coordinated by Rolf van der Velden. In Japan, the Laboratory of Sociology of Education in Kyushu University and the Japan Institute of Labour jointly carried out the survey, nationally coordinated by Keiichi Yoshimoto.

In each of the twelve countries a representative sample was drawn from the cohort of graduates who graduated from a course in higher education between the beginning of autumn 1994 and the end of summer 1995. As a result, the survey is directed primarily at the situation about three or four years after graduation. The sample size was determined separately in each country on the basis of the anticipated response rates, so as to result in a dataset per country containing 3,000–3,500 graduates. In total in the twelve countries, data were collected on the relation between higher education and work for 36,694 higher education graduates. In the Netherlands around 6,000 graduates were approached, of whom 3,087 (47%) responded with a completed questionnaire. In Japan approximately 10,000 graduates were approached, of whom 3,421 (30%) responded with a completed questionnaire.

In Japan and the Netherlands only, a second cohort of graduates was approached, comprising a representative sample of those graduating from tertiary education in the academic years 1987–1988, 1988–1989 and 1989–1990 in Japan and 1990–1991 in the Netherlands. Because these graduates were also approached at the end of 1998, the subjects are individuals who graduated from tertiary education some eight to ten and seven years prior to

*Table 1-1.* Sample size, response and profile of the sample

| Country: | JP | | NL | |
|---|---|---|---|---|
| Year of Graduation: | 1987–1990 | 1994–1995 | 1990–1991 | 1994–1995 |
| Effective sample size | 2,585 | 3,421 | 2,723 | 3,087 |
| Response rate (%) | 31.2 | 30.0 | 45.4 | 47.0 |
| Type of higher education institution (%) | | | | |
| Higher vocational college (HBO) | 0.0 | 0.0 | 64.1 | 60.6 |
| University | 100.0 | 100.0 | 35.9 | 39.4 |

Source: CHEERS data

the survey, respectively. Around 6,000 Dutch graduates were approached, of whom 2,723 (45%) responded with a completed questionnaire. In Japan approximately 8,300 graduates were approached, of whom 2,585 (31%) responded with a completed questionnaire.

Table 1.1 shows an overview of effective samples, the response rate and profile of the samples analyzed in this book. The combination of the two comparable datasets for each of the two countries allows a detailed view, not only of the transition from higher education to work, but also of the subsequent career development of graduates.

The CHEERS project as a whole pursued a range of broad objectives and tried to obtain in-depth knowledge on current issues of higher education and work (see Teichler, in print). To this end, it aimed to provide detailed information on both the socio-biographic background and educational careers of graduates, to explore European and international dimensions of graduate employment and work, to identify early career trajectories of graduates and the impacts of higher education. It also sought to provide theoretical and methodological improvements on the state of the art in graduate research, and to provide a preparatory study for a regular database. On the basis of these broad objectives, a common questionnaire was developed, addressing such themes as socio-biographic and early education background, study conditions and provisions, study behaviour and achievements, job search and the transition from study to work, employment during the first three years after graduation, regional and international mobility, work content and use of qualifications, work motivation and job satisfaction, further professional education/training and career prospects.

## 1.3 Key Data

Although the various chapters in this book contain quite a lot of descriptive material, the book as a whole is likely to be more accessible if we provide in this introductory chapter some key data on higher education and graduate careers. First, Table 1.2 shows some basic personal characteristics of graduates. Women are in the majority in the Dutch cohorts, whereas in the

*Table 1-2.* Personal characteristics of graduates

| Country: | JP | | NL | |
|---|---|---|---|---|
| Year of Graduation: | 1987–1990 | 1994–1995 | 1990–1991 | 1994–1995 |
| Gender composition (%) | | | | |
| Female | 40.7 | 47.1 | 52.0 | 55.8 |
| Male | 59.3 | 52.9 | 48.0 | 44.2 |
| Age at time of survey (years) | | | | |
| mean | 33.3 | 27.4 | 35.4 | 29.8 |
| s.d. | 1.79 | 1.53 | 5.98 | 4.54 |
| Home and family situation (%) | | | | |
| Living with parents | 23.8 | 49.0 | 1.2 | 5.2 |
| Living with partner | 64.7 | 18.7 | 75.0 | 65.9 |
| Children | 49.4 | 5.6 | 43.8 | 13.7 |

Source: CHEERS data

Japanese cohorts the reverse is true. Dutch graduates in both cohorts are somewhat older on average than Japanese graduates. More noticeable is the greater age diversity of Dutch graduates, as indicated by the larger standard deviation. This indicates the greater diversity of the routes by which Dutch graduates enter higher education, and to a more limited extent also the larger differences in study duration among Dutch graduates reported in Table 1.4. What is striking is the large percentage of Japanese graduates, particularly in the younger cohort, who still lived with their parents at the time of the survey. About two thirds of younger Dutch graduates and three quarters of older Dutch graduates already cohabited with a partner at the time of the survey. A larger proportion of younger Dutch graduates already had children at the time of the survey, but in the older cohort the Japanese graduates are somewhat more likely to have children.

Table 1.3 shows the net enrolment rates of the relevant age cohorts to first-degree higher education courses (ISCED 5A). The net enrolment is 52% for the Netherlands (comprising enrolments in university and HBO institutions) and 36% for Japan (comprising university undergraduate enrolments). The graduation rate is 70% in the Netherlands and 90% in Japan, which means that some 36% of the relevant age cohorts obtain a degree at this level in the Netherlands, and 32% in Japan. Although they fall outside the focus of this book, there are quite high enrolment rates in sub-degree courses (ISCED 5B) in Japan, comprising junior colleges, colleges of technology and special training colleges. The enrolment rate in such sub-degree courses is 33% in Japan, compared to only 1% in the Netherlands. The total net enrolment rate in higher education in the relevant age cohorts is 53% in the Netherlands and 69% in Japan.

*Table 1-3.* Net enrolment and graduation rates in higher education, 1998 (%)

| | JP | NL |
|---|---|---|
| First degree level | | |
| Net enrolment rate | 36 | 52 |
| Men | 45 | 50 |
| Women | 27 | 54 |
| Graduation rate | 90 | 70 |
| Sub-degree level | | |
| Net enrolment rate | 33 | 1 |
| Men | 22 | 1 |
| Women | 45 | 1 |

Note: First degree level (ISCED 5A) includes HBO and university in the Netherlands, and university in Japan. Sub-degree level corresponds to ISCED 5B
Source: OECD (2000) Education at a glance

As shown in Table 1.4, types of entry qualification for higher education are rather simple in Japan, but rather more diverse in the Netherlands. Most Japanese enter higher education on the basis of a general high school diploma, usually from academic secondary education. In the Netherlands, more than half of HBO students enrol on the basis of non-academic secondary education (mostly HAVO, but also some MBO), while around 90% of university students enrol on the basis of academic secondary education (VWO), which is normally required for entry to university.[1]

The enrolment age pattern is also simple in Japan and more diverse in the Netherlands. The theoretical duration of study for the first-degree course in both countries is four years for most fields of study. However, the mean actual duration is 4.0 years in Japan, with a standard deviation of around 0.6 years, compared to a mean of 5.4 years and a standard deviation of 1.7 years for Dutch university students. Although the entry age in both countries is rather similar, the mean graduation age of university students is 23 years old in Japan and 26–27 years old in the Netherlands.

Table 1.5 shows labour force participation rate and unemployment rate by age groups in the Netherlands and Japan. There is a clear difference between the labour force participation rate of those under twenty years old: about 60% of Dutch youngsters participate in the labour market, compared with only 20% of their Japanese counterparts. Whereas most Japanese youngsters remain within the education system, more Dutch youngsters enter the labour market, where they encounter a relatively high risk of unemployment. This risk of unemployment drops quite sharply in the older cohorts in the Netherlands. By contrast, Japanese in their early twenties still

[1] Most of the of 10–15% of Dutch university students who obtain entry without completing academic secondary education enter via a prior HBO course.

*Table 1-4.* Indicators of higher education experience of Japanese and Dutch respondents

| country: | JP | | | NL | | |
|---|---|---|---|---|---|---|
| year of graduation: | 1987–1990 | 1994–1995 | | 1990–1991 | | 1994–1995 |
| type of institution: | university | university | HBO | university | HBO | university |
| Entry qualifications | | | | | | |
| Academic secondary | 95.3 | 95.5 | 33.4 | 87.8 | 30.9 | 84.8 |
| Other secondary | 2.6 | 2.6 | 59.1 | 10.8 | 66.3 | 14.3 |
| Other | 2.1 | 1.9 | 7.5 | 1.4 | 2.8 | 1.0 |
| Age at entry (years) | | | | | | |
| Mean | 19.2 | 19.3 | 23.4 | 20.9 | 20.9 | 20.7 |
| Standard deviation | 1.56 | 1.54 | 7.03 | 4.68 | 4.48 | 4.26 |
| Age at graduation (years) | | | | | | |
| Mean | 23.3 | 23.4 | 27.4 | 26.5 | 25.2 | 26.3 |
| Standard deviation | 1.60 | 1.53 | 6.56 | 4.30 | 4.52 | 4.15 |
| Study duration (years) | | | | | | |
| Mean | 4.0 | 4.0 | 3.9 | 5.4 | 4.1 | 5.4 |
| Standard deviation | 0.67 | 0.61 | 1.33 | 1.64 | 0.96 | 1.70 |

Note: "Academic secondary" comprises VWO in the Netherlands, and full-day general courses in Japan. "Other secondary" comprises MAVO, HAVO and MBO in the Netherlands, and full-day vocational courses in Japan

Source: CHEERS data

suffer from a relatively high risk of unemployment, and the unemployment rate also rises again for the older Japanese cohorts. The participation rate of Japanese women follows an "M-Curve", going down at around 30 years old and going up again, then tapering off again in the older cohorts. In the Netherlands, by contrast, labour force participation of women follows much the same inverse U-shape as seen for men, albeit at a somewhat lower level.

Labour force participation increases with level of education in both countries (see Table 1.6). This pattern is more pronounced for women than men in the Netherlands. In Japan, participation by women at all levels of education is low. The unemployment rate decreases with education in both countries for men and for women. If we compare the unemployment rates of tertiary graduates with that of senior high school graduates, it can be seen that tertiary education is particularly advantageous in this respect for Japanese men and Dutch women. Japanese women also reduce their unemployment risk somewhat by completing tertiary education, but the unemployment rate among Dutch high school graduates is already so low that further education has no more effect on it.

*Table 1-5.* Labour force participation and unemployment, by age and gender (1999)

| | JP | | NL | |
|---|---|---|---|---|
| | men | women | men | women |
| Labour force participation by age group | | | | |
| 15–19 | 18.5 | 16.8 | 59.3 | 61.2 |
| 20–24 | 72.8 | 72.4 | 82.4 | 79.9 |
| 25–34 | 96.5 | 63.6 | 95.0 | 79.5 |
| 35–44 | 97.7 | 65.6 | 94.4 | 72.5 |
| 45–54 | 97.3 | 69.8 | 90.7 | 61.8 |
| 55–59 | 94.7 | 58.7 | 68.3 | 36.1 |
| 60–64 | 74.0 | 39.7 | 24.5 | 9.7 |
| Total | 85.3 | 59.5 | 83.1 | 64.5 |
| Unemployment by age group | | | | |
| 15–19 | 15.1 | 9.5 | 9.4 | 12.4 |
| 20–24 | 9.3 | 7.9 | 4.1 | 4.2 |
| 25–34 | 4.8 | 6.6 | 2.5 | 3.6 |
| 35–44 | 3.1 | 3.7 | 2.0 | 3.9 |
| 45–54 | 3.2 | 3.0 | 1.8 | 3.9 |
| 55–59 | 4.4 | 3.0 | 2.4 | 4.0 |
| 60–64 | 10.2 | 3.8 | 2.3 | 2.9 |
| Total | 4.8 | 4.5 | 2.7 | 4.5 |

Source: OECD (2002) "Labour Force Statistics"

Table 1.7, which makes use of CHEERS data, shows that most male graduates are working in full-time permanent employment. This percentage is much lower for women, particularly in the Netherlands, and particularly for the older graduates. However, whereas most other women in the Netherlands are employed in either part-time or temporary employment, a large percentage of Japanese women who do not have full-time permanent employment have withdrawn from the labour market altogether to assume a role caring for children or family. Also worth noting is the relatively high rate of enrolment in advanced academic study for the Japanese young cohort, which reflects the sampling strategy of undergraduates as population.

*Table 1-6.* Labour force participation and unemployment, by level of education and gender, population aged 25–64 years (1999)

| | JP | | NL | |
|---|---|---|---|---|
| | men | women | men | women |
| Labour force participation by level of education | | | | |
| Below upper secondary | 88 | 56 | 78 | 45 |
| Upper secondary & non-tertiary post-secondary | 96 | 62 | 88 | 72 |
| Tertiary, sub-degree level | 97 | 64 | 91 | 83 |
| Tertiary, first degree and advanced programmes | 98 | 65 | 92 | 84 |
| All levels | 95 | 61 | 86 | 64 |
| Unemployment by level of education | | | | |
| Below upper secondary | 6.4 | 4.3 | 3.6 | 6.7 |
| Upper secondary & non-tertiary post-secondary | 4.5 | 4.2 | 1.4 | 3.6 |
| Tertiary, sub-degree level | 4.1 | 4.9 | 1.3 | 1.7 |
| Tertiary, first degree and advanced programmes | 2.3 | 3.1 | 1.5 | 2.1 |
| All levels | 4.2 | 4.3 | 2.1 | 4.1 |

Note: First degree level (ISCED 5A) includes HBO and university in the Netherlands, and university in Japan. Sub-degree level corresponds to ISCED 5B

Source: OECD (2001) "Education at a Glance"

*Table 1-7.* Current situation of graduates, by cohort and gender

| country: | JP | | | | NL | | | |
|---|---|---|---|---|---|---|---|---|
| year of graduation: | 1987–1990 | | 1994–1995 | | 1990–1991 | | 1994–1995 | |
| gender: | male | female | male | male | male | female | male | female |
| Employed | | | | | | | | |
| fulltime permanent | 82.2 | 46.2 | 76.1 | 82.2 | 69.0 | 36.3 | 67.7 | 48.7 |
| parttime permanent | 3.1 | 2.9 | 2.7 | 3.1 | 8.3 | 33.1 | 3.3 | 16.6 |
| fulltime temporary | 0.5 | 2.2 | 2.9 | 0.5 | 5.4 | 5.6 | 15.4 | 14.8 |
| parttime temporary | 0.4 | 2.3 | 0.9 | 0.4 | 1.4 | 4.1 | 2.0 | 6.5 |
| other | 6.7 | 6.4 | 6.8 | 6.7 | 6.7 | 5.6 | 2.5 | 3.5 |
| self-employed | 4.7 | 3.8 | 1.5 | 4.7 | 6.8 | 5.8 | 6.5 | 3.7 |
| Total employed | 97.6 | 63.8 | 90.9 | 97.6 | 97.6 | 90.5 | 97.4 | 93.8 |
| Not employed, seeking work | 1.7 | 2.6 | 3.5 | 1.7 | 1.4 | 2.6 | 1.4 | 2.0 |
| Professional training | 0.2 | 0.3 | 0.6 | 0.2 | 0.8 | 2.2 | 1.2 | 1.4 |
| Advanced academic study | 0.5 | 0.7 | 5.0 | 0.5 | | | | |
| Child rearing, family care | 0.1 | 32.7 | 0.1 | 0.1 | 0.1 | 4.8 | 0.1 | 2.8 |
| N (=100%) | 1,499 | 1,014 | 1,789 | 1,499 | 1,245 | 1,331 | 1,328 | 1,623 |

Note: Dutch questionnaire does not distinguish between professional training and study

Source: CHEERS data

Table 1.8 shows the main occupational groups and annual income of male and female graduates in all four cohorts. The most striking difference between the Dutch and Japanese cohorts is the large proportion of Japanese graduates working as clerks or service, shop and sales workers, and the large proportion of Dutch graduates working as legal, business or related professionals or as technicians and associate professionals. In all cohorts males are over-represented in the categories of architects, engineers and related professionals and legislators, senior officials and managers, while females are more likely to work in occupations related to education or health.

The average annual income of Japanese graduates in the older cohort is considerably higher than that of their Dutch counterparts. This may in part be due to the longer period that these graduates have been active in the labour market, but the difference is too great to be accounted for by this alone. The income of the Japanese graduates in the younger cohorts is considerably lower, suggesting a strong increase in income throughout the

*Table 1-8.* Occupation and annual income of graduates, by cohort and gender

| Country: | JP | | | | NL | | | |
|---|---|---|---|---|---|---|---|---|
| Year of Graduation: | 1987–1990 | | 1994–1995 | | 1990–1991 | | 1994–1995 | |
| Gender: | Male | Female | Male | Female | Male | Female | Male | Female |
| Occupational group (%) | | | | | | | | |
| Legislators, senior officials and managers | 6.0 | 10.2 | 2.0 | 6.3 | 12.7 | 7.6 | 11.8 | |
| Professionals / engineers | | | | | | | | |
| Life science & health | 9.8 | 5.3 | 10.1 | 4.8 | 6.0 | 11.7 | 4.3 | |
| Teaching | 14.2 | 12.4 | 27.1 | 7.5 | 13.7 | 16.0 | 5.8 | |
| Architects, engineers & related | 10.5 | 25.7 | 14.0 | 22.1 | 23.7 | 9.7 | 32.0 | |
| Legal, business & related | 24.9 | 6.6 | 4.7 | 5.7 | 17.3 | 26.7 | 13.0 | |
| Artists and related | 4.4 | 0.2 | 0.5 | 0.3 | 5.9 | 5.8 | 3.8 | |
| Technicians and associate professionals | 20.4 | 2.6 | 2.8 | 3.8 | 16.4 | 16.3 | 23.5 | |
| Clerks | 7.3 | 18.9 | 26.9 | 22.9 | 2.5 | 3.9 | 3.7 | |
| Service workers, shop & market sales workers | 2.3 | 12.6 | 6.0 | 21.2 | 0.6 | 1.7 | 0.8 | |
| Other | 0.1 | 5.5 | 6.0 | 5.4 | 1.2 | 0.6 | 1.3 | |
| Annual income (X 1,000 Euro) | | | | | | | | |
| Mean | 23.2 | 47.5 | 35.0 | 31.8 | 36.7 | 27.1 | 30.7 | |
| Standard deviation | 16.3 | 19.4 | 17.7 | 19.0 | 33.9 | 19.7 | 30.3 | |

Note: Currency conversion: 1 Euro=122.7 Japanese yen (at time of survey)
Source: CHEERS data

first eight to ten years of work. This difference is much more modest in the Netherlands, and young Dutch graduates earn not much less than their Japanese counterparts. In all cohorts female graduates earn much less per annum than their male counterparts. In the Netherlands this is partly due to the shorter average working hours of female graduates. Income inequality, as reflected by the standard deviation of annual income, is modest in Japan and among Dutch females. There is, however, a considerable degree of income inequality among Dutch males.

Table 1.9 shows how graduates evaluate their higher education experiences and work. In general, Dutch graduates are more likely to be satisfied with their current job than are their Japanese counterparts. They also more often regard higher education as useful in terms of finding a satisfying job after graduation and the development of personality. The younger Dutch graduates are also quite positive about the usefulness of higher education for long-term career prospects. However, the older Dutch graduates are less often enthusiastic about this aspect, and are not appreciably more likely than their Japanese counterparts to regard higher education as useful in this respect. Perhaps older Dutch graduates have become somewhat disillusioned about the actual usefulness of higher education for career development.

*Table 1-9.* Subjective evaluation of higher education and work

| Country: | JP | | NL | |
|---|---|---|---|---|
| Year of Graduation: | 1987–1990 | 1994–1995 | 1990–1991 | 1994–1995 |
| Job satisfaction (%) [a] | 54.8 | 49.4 | 71.3 | 71.9 |
| Usefulness of higher education (%): [a] | | | | |
| For finding a satisfying job after graduation | 52.1 | 49.0 | 69.8 | 69.0 |
| For long-term career prospects | 49.8 | 51.4 | 52.4 | 60.0 |
| For development of your personality | 64.5 | 69.1 | 74.9 | 78.5 |

[a] Job satisfaction and usefulness of higher education measured on a five-point scale ranging from 1 (not at all) to 5 (to a very high extent). Shown is the percentage that answered 4 or 5 on the five-point scale

Source: CHEERS data

## 1.4 Structure of the Book

The book is divided into five distinct parts, the first four of which are contributed by authors from both Japan and the Netherlands, after several workshops had also been held in both Fukuoka and Maastricht. The first part, including this chapter, has the function of preparing the reader for the substantive chapters that follow in the next three parts. In Part 1, too, in Chapter 2, Ogata, De Weert and Yoshimoto describe some salient aspects of

policies related to the transition from higher education to employment since the 1990s.

Part 2 of this book deals with the higher education experiences of graduates in the two countries. In Chapter 3, Ogata examines the competencies acquired in university education in relation to those required in the workplace. Based on an in-depth analysis of the basic structure of competencies acquired in university education and those required in the workplace, the author characterizes the systems in both countries as "study support" education and "relationship-constructive" work in Japan and "opportunity provision" education and "self-responsibility" work in the Netherlands. The emphasis of the chapter is that the way of business regulates the way of university education, and that the relevance of higher education to the world of work differs between both countries. In spite of the differences in both acquired competencies and required competencies, it is also shown that a basic similarity exists in both countries in that there is more emphasis on competencies relating to personality and attitudes at the time of recruitment and that initial career involves a clear shift of emphasis towards other competence dimensions that are not strongly emphasised at the time of graduation. There exists a common gap between competencies acquired in university education and those required in the workplace in both countries. Whether these kinds of differences and commonalities change or not depends on the movement toward the globalisation of higher education and economy. However, the author suggests that more research is needed in the future on the relevance of higher education to work.

Subsequently, in Chapter 4, Van der Velden, Van de Loo and Meng look at university and college differences in the returns to education in Japan and the Netherlands. They distinguish three forces driving different outcomes between colleges or universities: differential selection, differential accumulation of competences and differences in social networks of universities and colleges. In Japan there is strong awareness of status differences between the individual universities (for example between state universities and private universities), which are often thought to be related to differences in entry selection and to differences in the social networks of the educational institutions. These differences have a strong impact on the subsequent occupational career. By contrast, the Netherlands has a relatively standardized system of higher education with only one main institutional difference between the more academically oriented universities and institutes of higher vocational education (HBO). Entry to higher education involves little selection for most courses, apart from the requirement that university entrants have successfully completed the highest track in secondary education and HBO entrants at least the second highest track. Differences

between universities or between institutes of higher vocational education are small compared to those in Japan. Nevertheless, people have become increasingly aware of quality differences between the institutes, which are thought to be related to the quality of the curriculum, teaching staff or study provisions rather than to differences in selection upon entry.

In Chapter 5, Yoshimoto and Yamada focus on the relevance of higher learning to working life, considering the similarities and differences between the Netherlands and Japan. The authors specify the discussion in terms of vertical relevance – the matching of education and work in terms of level of educational qualification – and horizontal relevance – the matching of education and work in terms of the field of study – and examine the effects of selection, education and career on both vertical and horizontal relevance. One of the most interesting findings is the existence of "deferred effects" which emerge only after the initial career development, especially in Japan but also in the Netherlands. Secondly, it is found that there are selection effects based on the difference of selectivity of higher education institutions in both countries, even though the origin of the selectivity might be different. As far as education effects are concerned, it became clear that a clear educational policy orientation of the institution improves the relevance of education to working life, regardless of whether this orientation is purely academic or strongly vocational. Subsequently, the authors reflect on the difficulties and conflicts concerning academic versus vocational orientation in both countries, on the problems of bridging between university and HBO in the Netherlands, and on the problem of middle-level universities in Japan, which appear to have lost their way while striving to resolve the conflict of choosing a clear orientation.

Part 3 deals with several aspects of transition and professional careers of graduates. In Chapter 6, Ghijsen and Meng reflect on the use and generation of competencies which are thought to be relevant for the new knowledge economy. The change from the so-called old economy to the new economy in the Western world has been often described as a paradigm shift. Despite the recent worldwide recession, the influence of information and communication (ICT) technologies has permanently changed the economic environment as new sectors and new occupations and tasks have been created. Strangely, Japan does not seem to have profited from this development at all, despite the fact that Japanese expenditures on R&D have remained at a relatively higher level than those in the US and Europe. This leads the authors to ask whether the Japanese labour force is adequately equipped with the tools needed to implement these new developments. The analyses focus on the extent to which graduates in Japan and the Netherlands are equipped with the competences needed to succeed in a knowledge-driven economy and to what extent these competences pay off in the labour market.

In Chapter 7 Kosugi explores the influence of diversified forms of employment on the initial careers of higher education graduates. Permanent full-time employment has long been the dominant employment form in Japan and most new employees are hired soon after they graduate. However, the economic slump of the 1990s has led to a sharp increase in the percentage of young, temporary, part-time workers. In the Netherlands, the percentage of part-time workers began to increase in the late 1980s, as discussions on employment reallocation through work sharing got underway, increasing dramatically in the 1990s when new legislation on equal treatment for part-time workers was introduced. The author explores similarities and differences between Japan and the Netherlands in the consequences of part-time or temporary work for the further careers and competence development of higher education graduates. She claims that permanent full-time employment has the predominant influence on career formation in both countries.

As Mühlau points out in Chapter 8 on career mobility, Japanese corporations are known for their sophisticated internal labour markets, whereby horizontal promotions are frequent, regular and are not associated with changes in job content, while vertical promotions are less frequent, occur 'traditionally' quite late in the employees' career, and are associated with a change in the authority position. Established ties with universities play an important role in the recruitment of new employees, and the reputation of the university from which the employee graduates has strong effects on earnings and promotions in the early stages of a career. It is difficult for mid-career employees to find alternative employment opportunities, which results in the division of Japanese labour markets into two, quite sharply delineated segments: a segment of internal labour markets and an external labour market segment. The Dutch, on the other hand, have a more developed occupational system than most other European countries, which poses a striking contrast to the Japanese situation. Curricula of both types of tertiary education emphasise an occupationally or professionally codified stock of knowledge. As a result of the strong occupational orientation of the education system, occupational domains are smaller and less overlapping in the Netherlands than in countries with a more general education system. Furthermore, the distinction between internal and external labour markets is much more difficult to draw for European countries and the U.S. than it is for Japan. Jobs belong to both a firm internal and an occupational labour market; as a consequence, mobility patterns appear to be less pre-structured, and company hierarchies are not as closed to 'outsiders' as are the hierarchies of Japanese firms.

Part 4 of the book looks into the values and work orientations of higher education graduates in Japan and the Netherlands. In Chapter 9, Allen and

Farag examine a range of dimensions of Japanese and Dutch graduates' work orientations and their relation to the overall job satisfaction of graduates. According to the data, Japanese graduates have a lower job satisfaction than Dutch graduates. The authors ask if Japanese graduates have different work orientations than Dutch graduates, if they have different work outcomes, and if there is a difference in the match between work orientations and work outcomes. They also ask if the match between work orientations and work outcomes affects job satisfaction and if so, if this explains part of the difference in job satisfaction between Dutch and Japanese graduates.

In Chapter 10, Boone, Meng and Van der Velden examine the meaning and consequences of individualistic and collectivistic value systems in Japan and the Netherlands. The authors highlight the degree to which individualistic versus collectivistic behaviour plays a central role in both countries. The Dutch culture is in general more individualistically oriented than the Japanese, which has a more collectivistic orientation. Because of this fundamental cultural difference they expect Japanese actors in the labour market to pay attention to and value different job characteristics and competencies than Dutch actors. If such cultural differences are indeed still important they will resonate in many aspects of social life and will therefore also partly steer selection and sorting processes of skills and competences of employees in the labour market. Employers will be inclined to design jobs with characteristics that are congruent with imprinted national cultural values, and favor, select and reward employees whose skills and competences fit these values. Employees whose jobs fit their cultural 'self' in terms of characteristics and competences will be more satisfied and less likely to quit their job.

In Chapter 11, Inenaga examines the significance of studying in higher education for graduates by identifying the higher education experience pattern of graduates on episode-based data and by scrutinising the significance of higher education for their whole life careers. This is done by analyzing "crucial moments" in graduates' lives and their choice of career after these important moments or events, rather than on the basis of subjective data. There is an underlying focus on gender issues as a reflection of social and cultural context in both countries. First, it is found that the choice of study career itself does not have serious significance as a "crucial moment" in graduates' lives in either country, compared with other career events such as occupational career changes. However, the data suggest that there are clear indications of a recurrent use of higher education after any crucial moment in the life both for male and female graduates in the Netherlands, even though the range of the specific fields of study is rather limited. Further, crucial events in the private domain cast long shadows in

both countries. In the Netherlands, having a child forces both male and female graduates into a crucial choice between changing their pattern of work – for example by changing from full-time to part-time employment – and withdrawing from career development in the public domain. By contrast, in Japan it is the female graduates who are obliged to follow the "timetable" of life faithfully. Every event related to the formation of procreation, including marriage, is regarded as a turning point for a choice between withdrawing from the career development in the public domain and playing a "double liability of gender role". The author suggests that this point tends to be overlooked when we discuss the significance of the role of higher education in public/professional career formation.

Finally, in Part 5, Teichler reflects on the broader meaning and implications of the results, as an outside observer who nonetheless possesses expert knowledge of both the Japanese and Dutch economy and society. He notes that a study such as this balances on the difficult dividing line between culture-specific and universalistic approaches. He reflects on some of the key characteristics of education and employment that are relevant for the study at hand. He notes some of the key differences between Japan and the Netherlands in terms of transitions from higher education to work and the early careers of graduates, and considers the impact of the structure of higher education in shaping these careers. He considers the different ways in which knowledge acquired in education is linked to the performances required of graduates in the labour market. He attempts to make some connections between the job satisfaction of graduates and the utilisation of knowledge in the work situation. Finally, he reflects on some of the (gender-) specific patterns of work arrangements in Japan and the Netherlands.

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